

FEB 1952 51-4AA

DO NOT CIRCULATE

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION

SECRET

SECURITY INFORMATION

25X1

INFORMATION REPORT

REPORT

CD NO.

COUNTRY Korea/China

DATE DISTR. 19 January 1953

SUBJECT Chinese Communist Currency Restrictions,
North Korea

NO. OF PAGES 2

DATE OF
INFO.

25X1

NO. OF ENCLS.
(LISTED BELOW)PLACE
ACQUIRED

25X1

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

1. In August 1952 North Korean government authorities were enforcing regulations which stipulated that Chinese Communist currency was to be used only by Chinese Communist troops stationed in North Korea. Koreans caught in possession of JMP were subject to prosecution by Chinese Communist army authorities and by both North Korean army and North Korean government authorities. Despite the regulations, JMP was being exchanged quite freely for North Korean won throughout North Korea. The majority of these exchanges were being carried out by Chinese Communist troops and North Korean merchants to cover purchases and smuggling transactions between North Korea and Manchuria.¹ On 28 August the exchange rate, based on JMP 10,000, was as follows: P'yongyang, 500 to 550 North Korean won;² Kaesong, 400 North Korean won; Yonan, 400 to 450 North Korean won or 2,500 to 3,000 South Korean won.
2. In late September and early October 1952 high-ranking officers of the Chinese Communist army were withdrawing increasingly larger sums of money from the North Korean Central Bank. For refusing to cash the money orders of these officers, many local bank employees were taken into custody by Chinese Communist officers and turned over to the North Korean police under charges of maintaining anti-Chinese Communist attitudes. Actually, the real reason for the refusals to cash the money orders was the shortage of cash in the branch offices of the North Korean Central Bank.
3. During the same period, Chinese Communist troops in the rear service offices were paying high prices for local products such as fruit and vegetables. Chinese Communist troops were paying higher rates to prostitutes than North Korean troops were paying. Prostitutes working for Chinese Communist troops

CLASSIFICATION

SECRET

STATE	X	NAVY	X	NSRB		DISTRIBUTION COMNAVS	25X1
ARMY	X	AIR	X	FBI			25X1

25X1

SECRET

-2-

included North Korean women soldiers, some of whom had been conscripted from South Korea during the North Korean occupation and others who had been discharged from the North Korean army because of the food shortage.

25X1

2. Comment. The rate in May 1952 was 400 North Korean won to JPY 10,000 in P'yongyang,

25X1

SECRET